

1 By: Assembly Legislative Priorities
2 Committee
3 Introduced: 12/12/2019
4 Adopted: 12/12/2019
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6 FAIRBANKS NORTH STAR BOROUGH

7
8 RESOLUTION NO. 2019 – 44
9

10 A RESOLUTION IDENTIFYING AND SUPPORTING LEGISLATIVE PRIORITIES
11

12 WHEREAS, The Fairbanks North Star Borough Assembly identifies and
13 supports the following legislative priorities for 2020:
14

15 **Funding Requests - Not Ranked**
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17 **Municipal Capital Project/School Construction Reimbursement**

18 The Fairbanks North Star Borough has partnered with the State of Alaska on municipal
19 capital and school construction projects. The Borough supports full reimbursement as
20 provided for in state law.
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22 **School Funding and Forward Funding Education**

23 Maintain school funding and forward funding of schools.
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25 **Human Services Community Matching Grant (HSCMG) Program**

26 The HSCMG program has significant and wide-ranging impacts in the Fairbanks North
27 Star Borough, and is an exceptionally cost effective use of public dollars which are passed
28 through to nonprofit recipients providing basic and essential human services to
29 underserved residents.
30

31 **PERS Contribution Rate and Strategy**

32 Maintain the 22% PERS contribution rate as was agreed to by PERS employers and the
33 state in allocating the unfunded liability and provide certainty of set rates for all
34 employers. Support focused efforts to develop strategies to reduce the unfunded liability
35 and reduce the overall payout through incentive programs not by adjusting the
36 contribution amount.
37

38 **Community Assistance**

39 Support maintaining the community assistance program and considering ways to stabilize
40 the fund and or expand to create consistency. Support a baseline floor of \$60 million
41 annually, and encourage a long-term, sustainable solution.

42 **Wood Stove Exchange and Conversion Assistance**
43 The Borough is requesting assistance from the State in providing financial assistance to
44 residents converting wood or solid fuel heating appliances to cleaner appliances or fuel
45 sources in order to help meet the PM2.5 attainment air quality standard.

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47 **Statutory Change Requests – Not Ranked**

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49 **Service Areas**

50 Support an amendment to AS 29.35.450 allowing a second class borough, by ordinance,
51 to abolish two or more existing service areas, which exercise the same power(s), for the
52 purpose of replacing them with a single, new service area. This amendment would not
53 include parcels not within existing service areas boundaries, which will still require an
54 election or otherwise meet the requirements of AS 29.35.450(c).

55

56 **Air Quality Tax Credit**

57 Request reauthorization of 29.45.048: A municipality that includes within its boundaries
58 an area that fails to meet federal or state air quality standards for fine particles that are
59 less than or equal to 2.5 micrometers in diameter may, by ordinance, provide for an air
60 quality improvement tax credit to offset a portion of the property taxes due on property
61 that, during the immediately preceding tax year, has been improved in a way that aids in
62 improving the air quality in the municipality.

63

64 **New Construction Energy Credit Exemption**

65 Add a new section to AS 29.45 to promote new construction of highly efficient residential
66 home construction and for commercial property that meets certain efficiency standards
67 or accreditations by allowing an exemption of a portion of property tax up to a defined
68 time.

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70 **State Military Spouse Licensure Reciprocity**

71 Improve professional license reciprocity for military spouses.

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73 **Creation of a Legislatively Authorized Military Affairs Commission**

74 Create a Commission to provide advice, counsel and recommendations to the Governor,
75 the Alaska Legislature and State agencies on initiatives, programs and legislation that will
76 continue and increase the role that Alaska’s military installations, the National Guard and
77 Reserves play in America’s defense strategy and the economic health and vitality of the
78 State.

79 NOW THEREFORE BE IT RESOLVED that the Assembly of the Fairbanks
80 North Star Borough supports these legislative priorities.

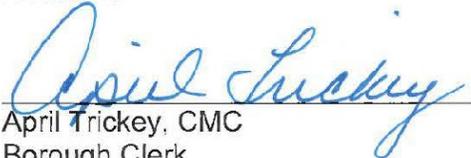
81
82 BE IT FURTHER RESOLVED that copies of this resolution shall be sent to
83 the Alaska Interior Delegation, the Honorable Governor Mike Dunleavy, and the Alaska
84 Congressional Delegation.

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86 ADOPTED THE 12TH DAY OF DECEMBER 2019.

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Matt Cooper
Presiding Officer

ATTEST:

April Trickey, CMC
Borough Clerk

Yeses: Tomaszewski, O'Neill, Cash, Sanford, Lyke, Williams, Quist, Cooper
Noes: Lojewski

State Legislative Priority White Paper 2019

Proposed By Bryce Ward

Service Areas

The Fairbanks North Star Borough has 103 Service Areas (separate taxing jurisdictions) that exercise the same powers and provide similar services. To reduce the number of individual service areas while providing service in the same geographical areas, an amendment to AS 29.35.450 is requested. This amendment would allow a second class borough, by ordinance, to abolish two or more existing service areas, which exercise the same power(s), for the purpose of replacing them with a single, new service area. This amendment would exclude bringing in any new parcels that currently are not within the existing service areas boundaries, which will still require an election or otherwise meet the requirements of AS 29.35.450(c).

Air Quality Tax Credit

Reauthorization of 29.45.048: A municipality that includes within its boundaries an area that fails to meet federal or state air quality standards for fine particles that are less than or equal to 2.5 micrometers in diameter may, by ordinance, provide for an air quality improvement tax credit to offset a portion of the property taxes due on property that, during the immediately preceding tax year, has been improved in a way that aids in improving the air quality in the municipality. The municipality shall establish eligibility, conditions, and other criteria for the credit in the ordinance adopted under this section. AS 29.45.048 was repealed January 1, 2016.

New Construction Energy Credit Exemption

Add a new section to Title 29.45 to promote new construction of highly efficient residential home construction and for commercial property that meets certain efficiency standards or accreditations. The program would be designed to mirror the AHFC rebate program to qualify. The change would allow for exemption of a portion of property tax up to a defined time.

PERS Contribution Rate and strategy

Maintain the 22% PERS contribution rate as was agreed to by PERS employers and the state in allocating the unfunded liability and to provide certainty of set rates for all employers. There should be focused efforts to develop strategies to reduce the unfunded liability and reduce the overall payout through incentive programs not by adjusting the contribution amount.

Mining Tax Alternative

Taxing large mines in Alaska located within municipalities with property tax is complicated and aging mines have greater infrastructure needs to recover less of the minerals which can drive up taxes with little to no return. An amendment to AS 29.45 is requested to allow a payment in lieu of taxes (PILT). Natural resource mines of a certain size could enter into an agreement to pay a specified tax per unit of material extracted (excise tax) in lieu of property tax. This would give greater stability for the mine and the municipality. PILT agreements could be for 5 or 10 years or as specified by the municipality.

Military Facility Zone

The military facility zone law provides for financing to be made available through several avenues but does not currently have enough to provide adequate incentive. Things such as local Tax Credits or expedited licensing and permitting could go a long way to provide incentive for these areas. Expanding PILT options for businesses who choose to open in the MFZ could be a great incentive.

Tax Increment Financing

Tax increment financing (TIF) is a financial tool widely used by local governments to promote economic development and redevelopment in specific areas. AS 29.47.460 is structured very similar to several other states and allows a municipality to pledge tax dollars to pay for bond notes for investment in capital projects needed to stimulate business. Greater definition is needed to specify for what constitutes an 'improvement area' and how the boundaries are determined.

Municipal Capital Project/School Construction reimbursement

The Fairbanks North Star Borough has partnered with the State of Alaska on school construction projects under the school construction debt reimbursement program. The historic reimbursement of 70% of the bond debt note is critical to the health and welfare of the community and the State's ability to recapitalize its school infrastructure. Due to the vetoes in FY19-20, the Fairbanks North Star Borough not reimbursed for a municipal capital project for schools on Eielson AFB and additionally did not receive the full amount of state aid for school construction. Debt reimbursement should be paid as agreed to with the communities who incurred that debt.

Fully Fund Basic Need

The State of Alaska requires borough and city governments to make a "required local contribution" in order to meet the basic need for their school districts; however, the State fully funds basic need for the regional education attendance areas through a combination of state and federal impact aid funds. This effectively penalizes the organized areas of the state because of incorporation. The legislature should repeal the requirement for a local contribution and require the State to fully fund basic need for all districts.

School Funding and forward funding education

Maintain school funding and forward funding of schools. Alaska is already a difficult place to hire and retain good quality teachers. Funding to the schools should be maintained and should be as consistent as possible to help create stability.

Government-to-government annexations

Amendment to the annexation statutes that would allow a city within a second class borough and that borough to agree, by ordinance, to expand city boundaries within the borough through an abbreviated process. Such amendment would allow the LBC to approve such boundary changes provided that no private lots are affected.

State military spouse licensure reciprocity

Military spouses around the globe have discussed the difficulty of continuing their careers while following their active duty spouses. If a spouse is a teacher, a nurse, a doctor, a lawyer, or any other profession that requires a state certified license it can be prohibitively difficult to restarting your career when you move to a state that doesn't recognize the states professional license you came from. You may have to take classes, pass exams, pay fees, and/or take undue time to get re-certified. Tammie Perreault with the Defense-State Liaison Office is working with the state of Alaska to consider better reciprocity laws that honors professional licenses from other states.

Wood Stove Exchange and Conversion assistance

The borough is requesting assistance from the State in providing financial assistance with residents converting their wood or solid fuel heating devices to cleaner stoves in order to help the Fairbanks North Star Borough meet the PM2.5 attainment air quality standard. Community Assistance can be made available through the Boroughs woodstove exchange program.

With the completion of the 5.2M gallon LNG storage tank in Fairbanks winter 2019 and expected completion of the North Pole Gas Tank in 2020, the local gas utility will be able to start connecting customers who already have a gas distribution system in front of their residents in Fairbanks and North Pole. The Borough is expanding the Wood Stove Exchange Program to also be applicable for oil to gas conversions and is requesting assistance from the state. The program is for oil heating devices to be converted to Natural gas or for areas not serviced by the gas system they could convert to Propane. The program would be for either full conversion or just the burner depending on the boiler-furnace.

Alaska Multi-Modal Transportation Improvement Program

One over-arching program would facilitate the funding of all transportation-related projects in the State of Alaska, established as the Alaska Multi-Modal Transportation Improvement Program (AKTIP). The objective of this new program would be to ensure that all transportation related projects were vetted in one program which would reduce redundancies and enhance modal coordination through a transparent and objective process. All federal and non-federal funding would be included in the AKTIP.

The modes addressed would include highways, marine, rail and aviation. The program would be established under the Department of Transportation. The structure of the program would be akin to the structure of a metropolitan planning organization with a Policy Board and a Technical Committee. The make-up of the Policy Board would be representative of all regions and modes. The Technical Committee would be made up of technical modal experts and planners. Neither the Policy Board nor the Technical Committee would be limited to employees of the State. Instead, non-state workers and citizens of the state would be encouraged to participate.

The AKTIP would establish its own operating agreement and bylaws and employ an Executive Director to oversee the operations of the program. Long-term and short-term multi-modal transportation plans would be developed and updated at least every four

years. Objective nomination and evaluation processes would also be developed to analyze all projects for approval into the AKTIP.

This program would aid the state now and into the future in developing a transparent and stable transportation planning process over all modes, regardless of funding source. Transportation planning is a long-term effort and must be guided to ensure the path forward is not interrupted or halted mid-project, as often occurs, based on one administration's priorities. Currently, some projects have taken decades to come to construction because of changing priorities. This is not acceptable and is not the most efficient use of transportation funding, regardless of the source. A multi-modal program will ensure that the best mode is funded to satisfy an identified transportation deficiency.

Community Assistance

Support maintaining the Community assistance program and considering ways to stabilize the fund and or expand to create consistency. Support a baseline floor of \$60 million annually, and encourage a long-term, sustainable solution

Creation of a legislatively authorized military affairs commission

Create a Commission to provide advice, counsel and recommendations to the Governor, the Alaska Legislature and State agencies on initiatives, programs and legislation that will continue and increase the role that Alaska's military installations, the National Guard and Reserves play in America's defense strategy and the economic health and vitality of the State.

The Commission shall also develop a strategic plan that identified goals and objectives that support the mission of the AKMAC consisting of the following concepts

1. Develop strategies for maintaining existing military mission in the state;
2. Develop strategies for expanding military missions in the state;
3. Develop strategies for better cooperation between military training and land access for recreational and hunting opportunities;
4. Develop strategies for maximizing federal military investment in Alaska bases;
5. Develop strategies for strengthening military families and encouraging military families to stay in Alaska after retirement.

(Concepts to be developed)

Broadband requirements (managed as utility with RCA)

Statewide Emergency Planning structure and delineation of duties

PFAS PFOS